BEFORE THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA DOCKET NO. 2020-125-E

IN RE: Application of Dominion Energy South)	Settlement status report
Carolina, Incorporated for Adjustment of)	pursuant to Order No. 2021-18
Rates and Charges)	
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The Public Service Commission of South Carolina ("Commission") instructed the parties in the above-referenced docket to submit written status reports every thirty (30) days beginning on February 15, 2021, regarding the progress of any settlement discussions.¹ See Order No. 2021-18; see also Stipulation of Parties filed January 12, 2021. In compliance with Commission Order No. 2021-18 as well as the terms of the Stipulation, the parties hereby submit this joint status report and provide the Commission with an update on the progress of the settlement discussions.

I. <u>PRE-HEARING SETTLEMENT DISCUSSIONS</u>²

Prior to the hearing in this docket, the South Carolina Office of Regulatory Staff ("ORS") filed a letter dated November 12, 2020, advising the Commission that ORS would contact the parties to discuss settlement. On November 17, 2020, Dominion Energy South Carolina, Inc. ("DESC" or "Company") met with ORS to discuss the logistics necessary to effectuate any potential settlement agreement among the parties. Thereafter, the Company engaged with AARP,

¹ Because February 15th is a state holiday, the filing date shifts to February 16, 2020, per Rule 6, SCRCP and S.C. Code Regs. 103-831.

² The Sierra Club, CMC Steel – South Carolina, the South Carolina Coastal Conservation League and the Southern Alliance for Clean Energy were not part of the Pre-Hearing Settlement Group and therefore, do not join in Section I of this Joint Status Report.

Walmart, the South Carolina Energy Users Committee, Frank Knapp, the Department of Consumer Affairs, and the United States Department of Defense and all other Federal Executive Agencies to determine whether they would be willing to engage in settlement discussions and received affirmative responses.

On December 1, 2020, the Company met with ORS again and presented an overall framework and principle terms for a settlement agreement. Following the December 1, 2020 meeting, the Company continued its conversations with ORS, and on December 18, 2020, DESC presented a settlement offer ("DESC December 18 Settlement Offer") to ORS, the South Carolina Energy Users Committee, Walmart, Frank Knapp, AARP, the United States Department of Defense and all other Federal Executive Agencies, and the Department of Consumer Affairs (collectively, the "Pre-Hearing Settlement Group"). Thereafter, communications occurred between the Pre-Hearing Settlement Group and the Company, but the Pre-Hearing Settlement Group did not reach a consensus on a counteroffer.

The Company then presented a second settlement offer to the Pre-Hearing Settlement Group on December 22, 2020 ("DESC December 22 Settlement Offer"). On December 23, 2020, counsel for ORS informed counsel for DESC that the Pre-Hearing Settlement Group appreciated the significant movement with the DESC December 22 Settlement Offer, but the Pre-Hearing Settlement Group had no consensus on terms for a counteroffer. Thereafter, the Pre-Hearing Settlement Group did not provide a counteroffer to the DESC December 22 Settlement Offer prior to the commencement of the hearing on January 5, 2021. The Company did not withdraw the DESC December 22 Settlement Offer, and it remained available during the pendency of the hearing.

II. POST-HEARING SETTLEMENT DISCUSSIONS

In an effort to keep the lines of communication open and provide an update to DESC, after the issuance of the stay in Order No. 2021-18, ORS provided the Company a term sheet dated January 12, 2021. ORS indicated the term sheet was not a counteroffer to the DESC December 22 Settlement Offer, but rather constituted a framework of settlement terms the ORS and certain Intervenors were considering.

ORS, DESC, and all Intervenors (collectively referred to herein as the "Parties") met on February 5, 2021. At that meeting, the Parties discussed aspects of settlement. The Parties also discussed the logistics of the preparation and submittal of these status update reports and scheduling of continued settlement discussions. During the meeting, the Company informed the parties that it remained willing to honor the terms of the DESC December 22 Settlement Offer and requested that the parties provide DESC with a formal response to its settlement offer.

On February 12, 2021, ORS and the Intervenors informed counsel for DESC that they would not accept the DESC December 22 Settlement Offer and informed the Company that they were preparing a formal and comprehensive counteroffer, which they anticipated submitting to counsel for DESC by February 26, 2021.

Given the wide range of interests and issues represented in this matter, the Parties recognize settlement discussions may take some time. However, the Parties remain committed to working toward a mutually agreeable resolution. ORS and the Intervenors continue to plan to meet regularly and DESC will join the parties at least monthly to continue these discussions. In compliance with Order No. 2021-18, as well as the terms of the Stipulation, the Parties will continue to update the Commission on their discussions every thirty days.

{Signature Pages Follow}

Respectfully submitted,

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February 16, 2020

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